

weekly economic review

September 27, 2013

Population

Alberta now home to over four million people, as population surges

Alberta's population jumped by 42,834 in the second quarter of 2013, registering 4,025,074 as of July 1st, 2013. The quarterly upswing was a result of continued strong net migration from other provinces and abroad. Alberta continues to attract an influx of people from other provinces (see Chart). Alberta welcomed 13,791 net interprovincial migrants, and 20,487 net international migrants last quarter.

Year-over-year population growth of 3.5% surpassed the strong growth observed during the mid 2000 boom years. Alberta has not seen population growth of this magnitude since the early 1980s. The strong annual growth was led by 105,228 net new migrants and a natural increase of 31,107.

The Canadian population was estimated at 35,158,300 as of July 1st 2013, up 404,000 (1.2%) over last year, roughly in-line with the 30-year average annual growth rate of 1.1%.

Rail transportation of crude oil

Crude by rail surges

Western Canada continues to transport increasing amounts of crude oil products by rail. In July, the Western rail division carried 727 thousand tonnes of fuel oils and crude petroleum, up 46.3% over July 2012. The number of railcars carrying these products totalled 8,856, up 44.5% from the same time last year. Railed volumes of fuel oils and crude petroleum have roughly tripled since the beginning of 2011.

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Retail Sales

Consumer spending edges up

Alberta's retail sales increased slightly (0.1%) in July to \$6.1 billion. The small improvement comes after a decline in June, when the southern Alberta floods resulted in supply disruptions and closures of several retail outlets. Compared with the same month last year, the province's retail sales were up an impressive 6.4% led by higher spending at motor vehicle and parts dealers (17.3%) and gasoline stations (7.8%). Alberta posted the highest year-over-year and year-to-date increase among the provinces in July.

Canadian retail sales were up 0.6% from June due in large part to higher sales at gasoline stations. Year-over-year, national sales rose 3.0%.

Rigs Drilling

Rig activity rebounding

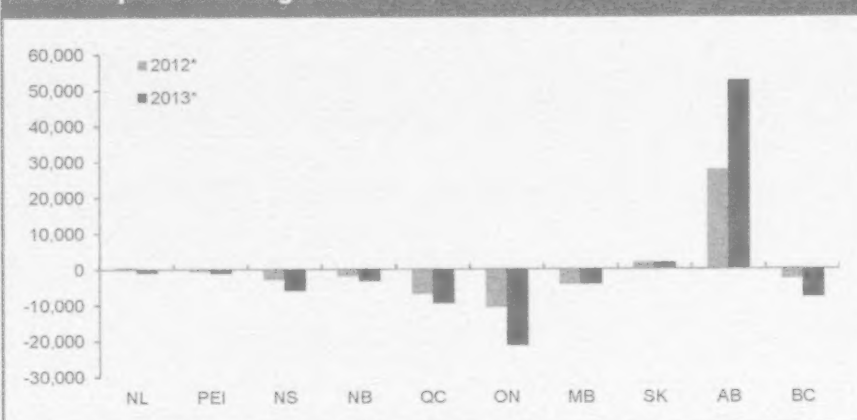
The number of active drilling rigs increased year-over-year for the second consecutive month in September, recovering some lost ground after almost a year of declines. Active rigs increased 9.6% over September 2012, bringing the rig utilization rate to 42.1%, the highest value since March.

Average Weekly Earnings (AWE)

Earnings dip, but ahead of last year

AWE slipped in July to \$1,098, bringing year-over-year growth down to 1.6%, the weakest increase since January 2010. A decline in average hours worked weighed on AWE in July. Earnings growth now stands at 3.5% year-to-date, ahead of the 2.2% nationally.

Net Interprovincial Migration



Source: Statistics Canada; *Census year ending July 1st.

Closing Price	Sept. 19, 2013	Sept. 26, 2013	2013-14 Fiscal YTD
Canadian Dollar (US\$/Cdn)	97.68	96.89	97.00
WTI Oil (\$US/bbl)	106.39	103.03	99.55
NYMEX Natural Gas (\$US/MMBtu)	3.72	3.50	3.79

Alberta Economic Indicators

Population	2011	2012	2013YTD	Apr	May	June	July	Aug	Sep
NEW: Population (000's)	3,778	3,874	4,025	3,982			4,025		
y/y % change	1.5	2.5	3.5	3.2			3.5		
NEW: Net Interprovincial Migration ¹	8,443	28,170	52,677	13,438			13,791		
NEW: Net International Migration ²	16,703	37,990	52,551	13,574			20,487		
NEW: Net Non-permanent Residents ³	7,604	9,721	19,560	6,949			10,472		
Labour Market									
Employment (000's), SA	2,094	2,150	2,189	2,183	2,201	2,201	2,217	2,232	
y/y % change	3.8	2.7	2.3	1.9	2.3	2.6	3.0	3.6	
Unemployment Rate (%), SA	5.5	4.6	4.6	4.4	4.8	5.0	4.5	4.8	
Participation Rate (%), SA	73.7	73.4	72.9	72.5	73.3	73.1	73.0	73.6	
NEW: Average Weekly Earnings (\$), SA	1,035.75	1,072.98	1,100.38	1,099.83	1,119.34	1,104.47	1,097.63		
y/y % change	4.4	3.6	3.5	3.5	5.4	3.4	1.6		
Price Indices									
Consumer Price Index (y/y % change)	2.4	1.1	1.4	1.3	2.3	2.3	2.2	1.4	
Excluding food and energy	0.8	1.4	1.3	0.9	1.1	1.6	1.9	1.6	
Non Res Building Cons Price Index ⁴ (y/y % change)	3.4	3.8	1.1			0.9			
Farm Product Price Index (y/y % change)	18.1	6.3	4.9	4.9	5.9	5.3			
Crops	19.0	6.7	8.0	7.0	7.2	5.9			
Livestock	17.2	5.9	2.2	2.9	4.8	4.7			
Household Sector									
Housing Starts (SAAR, 000's)	25.5	33.3	35.3	39.8	42.4	38	33.7	26.9	
y/y % change	-5.0	30.7	7.3	0.3	26.4	12.4	1.4	-7.9	
New Housing Price Index ⁵ (y/y % change)	0.4	1.3	2.6	2.5	2.7	2.9	3.0		
Edmonton	0.9	0.9	0.6	0.4	0.2	0.6	0.6		
Calgary	-0.1	1.7	4.7	4.7	5.3	5.3	5.8		
MLS Average Resale Prices (\$ 000's)	352.7	362.0	377.7	375.8	375.6	376.5	378.7	387.9	
y/y % change	0.5	2.8	4.9	4.0	2.9	4.4	4.9	6.8	
Edmonton (\$ 000's)	324.2	332.7	341.7	345.3	339.6	344.7	340.4	347.3	
y/y % change	-0.7	2.6	2.9	4.7	1.1	3.7	2.9	4.1	
Calgary (\$ 000's)	401.9	410.5	433.3	426.4	424.8	431.0	438.7	441.8	
y/y % change	1.1	2.2	6.4	3.5	2.6	5.3	6.8	8.0	
NEW: Retail Sales, SA (y/y % change)	6.8	6.9	6.6	6.9	7.4	7.9	6.4		
New Motor Vehicle Sales (y/y % change)	9.6	10.5	6.6	19.7	7.0	3.4	6.5		
Consumer Bankruptcies	7,029	5,769	2,560	464	434	375			
y/y % change	-13.8	-18.1	-18.5	-11.3	-15.7	-22.5			
Business Sector									
NEW: Rigs Drilling	286	250	232	115	86	115	187	299	251
y/y % change	30.4	12.6	-5.7	-18.2	0.3	-17.3	5.7	7.0	9.6
Goods Exports, customs based (y/y % change)	18.4	1.8	2.1	-1.0	11.6	-0.5	13.7		
Energy	19.2	2.1	2.1	-2.4	12.3	0.4	17.1		
Farm, Fishing and Intermediate Food	27.2	20.6	0.7	-6.4	7.1	-16.0	5.8		
Farm Cash Receipts (quarterly, y/y % change)	16.7	14.1	9.3						
Manufacturing Shipments, SA (y/y % change)	17.3	3.4	-0.6	-3.6	1.1	4.0	2.9		
Wholesale Trade, SA (y/y % change)	14.7	10.9	2.4	0.2	0.6	1.4	2.8		
Building Permits, SA (y/y % change)	11.8	14.7	22.9	11.4	1.2	21.6	50.1		
Residential	5.2	17.7	17.0	18.4	12.3	16.6	29.8		
Non-residential	20.9	11.0	30.4	5.1	-12.0	28.5	78.0		
Business Bankruptcies	264	230	71	15	11	9			
y/y % change	30.2	-12.9	-47.0	-25.0	-60.7	-59.1			

¹ Quarterly; annual numbers are presented on a census year basis (July 1-June 30)

² Quarterly; average of Calgary and Edmonton

³ Average of Calgary and Edmonton

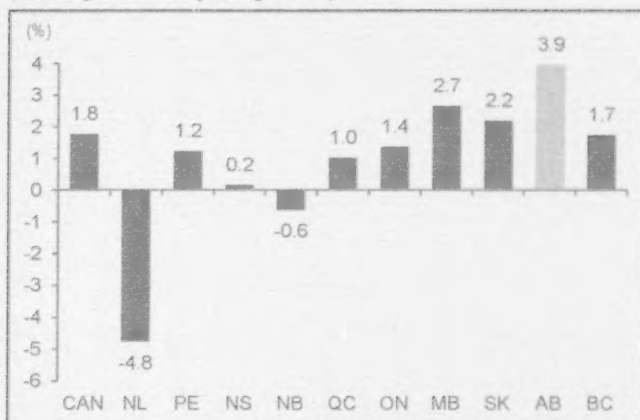
⁴ YTD (year-to-date) represents the change since the beginning of the year compared to the same period in the previous year. "SA" denotes seasonally adjusted. "SAAR" denotes seasonally adjusted at annual rate

Sources: All data are from Statistics Canada except Housing Starts (Canada Mortgage and Housing Corporation), MLS Average Resale Prices (Canada Real Estate Association), Rigs Drilling (Canadian Association of Oilwell Drilling Contractors) and Bankruptcies (Office of the Superintendent of Bankruptcy Canada).

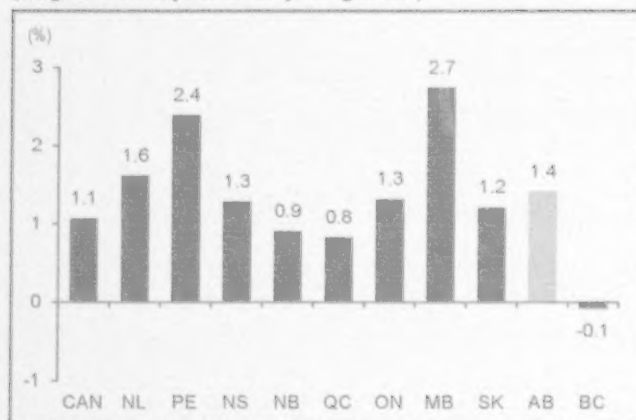
All historical data are subject to revision.

Economic Indicators by Province

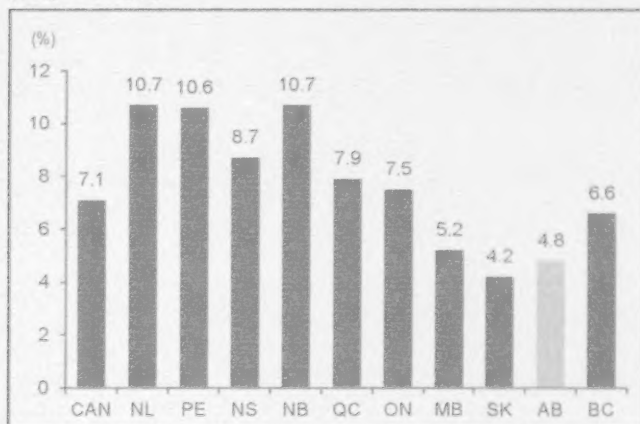
Real GDP by Industry
(2012, year-over-year growth)



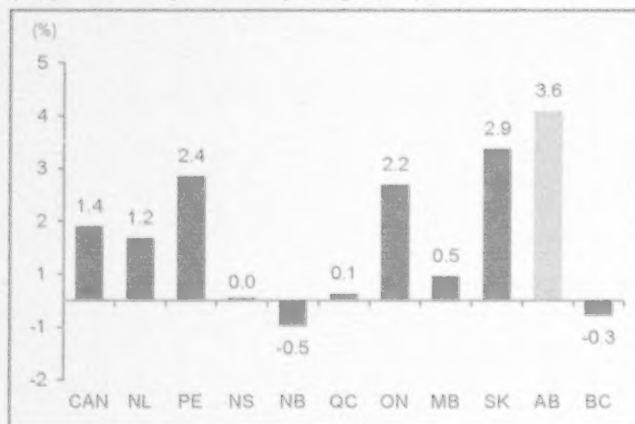
CPI Inflation
(August 2013, year-over-year growth)



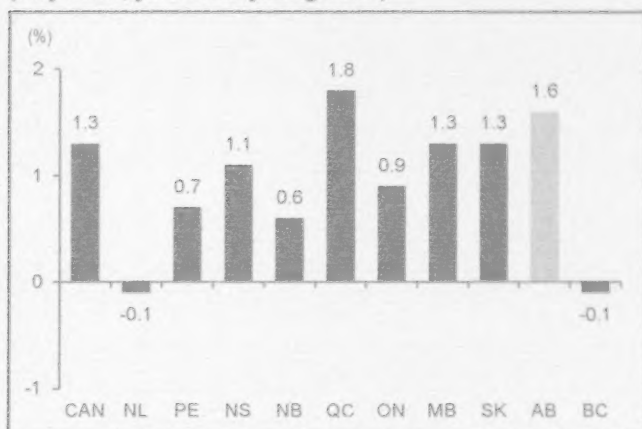
Unemployment Rate
(August 2013)



Employment
(August 2013, year-over-year growth)



Average Weekly Earnings
(July 2013, year-over-year growth)



Housing Starts
(August 2013, SAAR, year-over-year growth)

